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RCB MARKETING SDN BHD v. MILANO MARKETING SDN BHD

HIGH COURT MALAYA, PULAU PINANG
KENNETH ST JAMES JC
[CIVIL SUIT NO: PA-22IP-1-12-2020]
B 9 SEPTEMBER 2022

Abstract – *(i) Any document from the parties that goes to support either party's case, and any document that is adverse against either party, are not only relevant but also necessary for the fair determination of a dispute; the disclosure and production of the documents should not be held back; and (ii) It is not just, expeditious and economical to bifurcate the trial of a writ action into two segments, namely, the determination of liability first and then the assessment of the quantum of damages if liability is found. Such bifurcation is time and cost-consuming.*

CIVIL PROCEDURE: *Discovery – Application for – Trade mark infringement and passing off action – Production of documents required to go to trial to prove liability – Whether documents relevant and necessary for disposal of action – Whether production of documents premature – Whether trial ought to be bifurcated – Rules of Court 2012, O. 24*

The plaintiff sold clothing and clothing accessories with the trade mark 'RCB Polo Club' mark while the defendant was a wholesaler and retailer of clothing and fashion brand. The plaintiff discovered that the defendant used two marks ('Milano Polo Club marks') which were allegedly similar to the RCB Polo Club mark. According to the plaintiff, the defendant was riding on the goodwill and brand reputation generated by the plaintiff in their RCB Polo Club mark. In the present application, pursuant to O. 24 of the Rules of Court 2012, the plaintiff sought the production of certain documents in the defendant's possession, custody and control, which the plaintiff required in order to go to trial to prove liability and get damages as their remedy. Resisting the application, the defendant argued that: (i) the plaintiff failed to establish that these documents were both relevant and necessary for the disposal of the action; and (ii) the production of the documents sought was premature as liability, for infringement or passing off, was yet to be determined against the defendant; these documents were only needed at the later stage of the assessment of damages.

Held (allowing application with costs):

I **(1)** The defendant's argument that the plaintiff's application was premature was premised on the expectation that the trial of this action would be bifurcated into two sections, namely, the determination of liability first and then the assessment of quantum of damages if liability is found. The

trial of this matter should not be bifurcated in such manner, unless there were exceptional circumstances that warrant it. A bifurcation of a trial in this manner is not conducive to a just, expeditious and economical disposal of the action. (paras 38 & 39)

(2) The plaintiff wanted to prove that the defendant infringed their RCB Polo Club mark and passed off Milano's Polo Club marks as RCB Polo Club mark. The plaintiff sought damages for their cause. The defendant, on the other hand, denied liability and sought to prove their defence. The documents that the plaintiff sought to discover would either support either party's case or adversely affect either party's case as the documents would reveal (i) when the defendant started to use their Milano Polo Club marks; (ii) the defendant's sales and revenue; and (iii) the extent of the defendant's advertising and promotional activities. It was not premature to compel the production of the documents. The documents should be discovered and produced now; not later. (paras 69-72)

(3) All the documents that were relevant and necessary for the parties to prove their respective claims, counterclaims and defences, both in respect of liability and quantum of damages, should be disclosed and produced in the process of pre-trial discovery so that the action could be fairly and fully determined at the trial. (para 82)

Case(s) referred to:

Brisbane Airport Corporation Pty Ltd v. Arup Pty Ltd [2020] QSC 202 ***(refd)***
Coenen v. Payne & Anor [1974] 2 All ER 1109 ***(refd)***
Dr Martens Australia Pty Ltd v . Bata Shoe Co of Australia Pty Ltd (1997) 75 FCR 230 ***(refd)***
Electrical Waste Recycling Group Ltd v. Philips Electronics UK Ltd [2012] EWHC 38 ***(refd)***
Fleming's Nurseries Pty Ltd v. Hannaford [2008] FCA 591 ***(refd)***
Idoport Pty Ltd v. National Australia Bank Ltd [2000] NSWSC 1215 ***(refd)***
Liberty Financial Pty Ltd v. Scott [2003] FCA 226 ***(refd)***
Lifeplan Australia Friendly Society Ltd v. Woff [2012] FCA 1415 ***(refd)***
Malaysia Debt Ventures Bhd v. Platinum Techsolve Sdn Bhd & Ors [2020] 1 LNS 1252 CA ***(refd)***
Polskie Towarzystwo Handlu Zagranicznego Dla Elektrotechniki 'Elecktrim' Spolka Z Organiczona Odpowiadziolnoscia v. Electric Furnace Co Ltd [1956] 2 All ER 306 ***(refd)***
Reading Australia Pty Ltd v. Australian Mutual Provident Society [1999] FCA 718 ***(refd)***
Signia Wealth Ltd v. Marlborough Trust Company & Anor [2016] EWHC 2141 ***(refd)***
Tallglen Pty Ltd v. Pay TV Holdings Pty Ltd (1996) 22 ACSR 130 ***(refd)***
Yekambaran Marimuthu v. Melayawata Steel Bhd [1994] 2 CLJ 581 ***(refd)***

Legislation referred to:

Rules of Court 2012, O. 24 rr. 3, 7, O. 33 r. 2, O. 34

For the plaintiff - Amit Singh Penesar; M/s Teja Singh Penesar & Co
For the defendant - S Rajendran; M/s Rajen & Assocs

Reported by Najib Tamby

A

JUDGMENT

Kenneth ST James JC:

Prelusion

[1] In the process of discovery, how many and what kind of documents must a party disclose? And should the trial of a writ action be bifurcated?

B

Key Asserted Facts

[2] This is a trade mark infringement and passing off action. The plaintiff (RCB) sells clothing and clothing accessories. They do so with the following trade mark, which I will call the 'RCB Polo Club Mark'.

C

[3] Note that the RCB Polo Club Mark contains the image of a polo player and the words 'POLO CLUB'.

D

E

[4] RCB pleads that they have the exclusive rights to use the RCB Polo Club Mark. They aver that they have expended much money to promote it. They assert that because of their promotion and advertisement of the RCB Polo Club Mark, they have acquired and generated substantial goodwill in the mark.

F

[5] The defendant (Milano) is a wholesaler and retailer of clothing and fashion wear. Their products bear the following marks, which I will refer to as the 'Milano Word Marks':

G

a. CLUB MILANO

b. MILANO

H

c. MILANO

I

[6] Note that the Milano word marks contain only the words 'CLUB' and 'MILANO'.

[7] RCB submits that it is visually obvious that the two respective sets of marks the 'RCB Polo Club Mark' and the 'Milano Word Marks' are different and are easily distinguishable.

[8] RCB discovered that Milano uses two marks that RCB asserts are visually similar to the 'RCB Polo Club Mark'. These are the two marks, which I will refer to as the 'Milano Polo Club Marks'.

a.

b.

[9] It is pertinent to note that the Milano Polo Club Marks contain images of a polo player and the words 'POLO CLUB', just like the RCB Polo Club Mark.

[10] RCB thus alleges that the Milano Polo Club Marks closely resemble the RCB Polo Club Mark. Not only that, but the Milano Polo Club Marks are rather dissimilar to Milano's own Milano Word Marks.

[11] RCB asserts that instead of using their own Milano Word Marks, Milano is purposefully using the Milano Polo Club Marks, which contain the images of a polo player and the words 'POLO CLUB'.

[12] RCB says that by doing this, Milano is riding on the goodwill and brand reputation generated by RCB in their RCB Polo Club Mark.

[13] RCB asserts that these Milano Polo Club Marks are allegedly offending marks.

RCB's Application For The Production Of Documents

[14] RCB applied for the production of certain documents which they assert are in Milano's possession, custody and control. RCB wants these documents because they need them to go to trial to prove liability and get damages as their remedy.

[15] RCB requested for documents from Milano documentary evidence that may prove both liability and the quantum of damages. Milano was unresponsive. RCB then filed an application under O. 24 of the Rules of Court 2012, for the production of these documents.

[16] RCB sought the production of Milano's documents that disclose: (i) Milano's sales and turnover figures that relate to the goods bearing the Milano Polo Club Marks; (ii) the particulars of Milano's branches and outlets; (iii) the period of time when Milano advertised and sold goods bearing the Milano Polo Club Marks – to disclose since when Milano began to use the Milano Polo Club Marks; (iv) the particulars of any exhibitions where Milano advertised and sold goods bearing the Milano Polo Club Marks.

[17] Milano resisted the application to produce.

[18] Milano's strongest win-or-lose points are these:

(i) RCB has failed to establish that these documents are both relevant and necessary for the disposal of the action.

(ii) The production of the documents sought is premature, because liability (for infringement or passing off) has yet to be determined against Milano. These documents are needed only at the later stage of the assessment of damages.

Several Guiding Authorities On Bifurcating The Trial

[19] A starting point on this issue of whether to bifurcate a trial into a determination on liability first, and then the quantum of damages later, is the 1956 United Kingdom Court of Appeal case of *Polskie Towarzystwo Handlu Zagranicznego Dla Elektrotechniki 'Elecktrim' Spolka Z Organiczona Odpowiadziolnoscia v. Electric Furnace Co Ltd* [1956] 2 All ER 306 (UKCA).

[20] In *Polskie* (*supra*), the UK Court Of Appeal held that:

(i) "there is no doubt as to the jurisdiction of the court to make such an order" to bifurcate a trial, in the context of the UK R.S.C. O. 36 r. 7 (which is *in pari materia* with O. 33 r. 2 of our Rules of Court 2012): at p. 308, para. H;

(ii) whether or not such an order should be made "is a matter of discretion of the judge": at p. 308, para. H;

(iii) such an order should not be made "unless there is on the pleadings a clear line of demarcation between issues bearing on liability and issues bearing on quantum of damages": at p. 309, para. I;

(iv) for that case, the issues of liability and quantum of damages "would more suitably and conveniently be tried by the judge at the trial in the ordinary way": at p. 310, para. H – which means without bifurcating it.

[21] For the ease of reference, here are the terms of O. 33 r. 2 of our Rules of Court 2012:

Order 33. Mode of trial

Time of trial of questions or issues (O. 33 r. 2)

2. The Court may order **any question or issue** arising in a cause or matter, whether of fact or law or partly of fact and partly of law, and whether raised by the pleadings or otherwise, **to be tried before, at or after the trial** of the cause or matter, and may give directions as to the manner in which the question or issue shall be stated.

(emphasis added)

[22] Then came the oft-cited 1974 UK Court Of Appeal case of *Coenen v. Payne & Anor* [1974] 2 All ER 1109 (UKCA); [1974] 1 WLR 984. This case is considered the landmark case on bifurcating a trial into separate determinations of liability and quantum, at separate points in time in the process of disposing an action.

[23] In *Coenen* (*supra*), the UK Court Of Appeal addressed the issue of "whether liability should be tried before damages": at p. 987, para. A. In that case, the defendants there "made an application for separate trials as to liability and damages": at p. 987, para. H. The Registrar ordered separate trials. The plaintiff appealed to the judge. The judge reversed the Registrar's order and ordered that liability and damages be tried together. The defendants appealed to the UK Court of Appeal.

[24] The UK Court of Appeal opened the door for the courts to order trials to be bifurcated. It propounded that even though UK procedural law up until then was that bifurcating a trial was the exception rather than the rule, the courts should now be more willing to bifurcate a trial, particularly in personal injury cases.

[25] It is pertinent to note though, that:

(i) *Coenen* (*supra*) was decided in the context of personal injury cases;

(ii) *Coenen* (*supra*) recognised that the usual approach is still to have one trial for both liability and the quantum of damages. But it suggests that the courts should now be more ready to make an order to bifurcate a trial. And the principle to follow is that it must be "just and convenient" for the trial to be bifurcated, before such an order is made.

[26] Then in 2012, the Chancery Division High Court (which presides over matters that include intellectual property rights cases involving trade marks, passing off, patents, copyright, designs and trade secrets) in *Electrical Waste Recycling Group Ltd v. Philips Electronics UK Ltd* [2012] EWHC 38 (Ch), through Hildyard J, had occasion to list the factors that courts should consider when deciding whether to bifurcate a trial.

[27] In *Electrical Waste Recycling* (*supra*), the UK High Court set out the factors to consider, including these factors: at paras. 5 and 6:

(i) What are the advantages and disadvantages of bifurcating a trial "in terms of trial preparation and management"? For example, does the "prospective advantage of saving the costs" of pre-empting a separate proceeding for the assessment of damages if liability is not found, outweigh the "likelihood of increased aggregate costs" if liability is found and a further trial for damages is necessary?

(ii) Will a bifurcated trial "impose unnecessary inconvenience" on the witnesses who may have to testify in both trial proceedings?

(iii) Will a "single trial" on both liability and quantum "lead to excessive complexity and diffusion of issues, or place an undue burden on the judge hearing the case"?

(iv) Will a bifurcated trial "cause particular prejudice" to any party, for instance, by delaying an "ultimate award" of damages?

(v) What is the "risk of duplication, delay and disadvantage" of a bifurcated trial in the context of the appeals from each of two separate proceedings (for liability and then for damages)?

(vi) For any particular case, what is the "best course" to take "to ensure that the whole matter" is determined "as fairly, quickly and efficiently as possible"?

(vii) Will a bifurcated trial "assist or discourage mediation and settlement"? In a bifurcated trial, the party held to be liable does not have to pay the amount of damages until it is subsequently quantified in the assessment of damages proceeding. This means that the successful party has to wait to enjoy the fruits of their litigation.

[28] It is pertinent to note that the UK High Court in *Electrical Waste Recycling* (*supra*) did not make the order to bifurcate the trial there.

[29] In a 2016 case – *Signia Wealth Ltd v. Marlborough Trust Company & Anor* [2016] EWHC 2141 (Ch) – another UK Chancery Division High Court, through Chief Master Marsh, applied the factors that were propounded by Hildyard J in *Electrical Waste Recycling* (*supra*), and likewise did not order the bifurcation of the trial before it.

[30] One of the material considerations in Chief Master Marsh's deliberation was the factor of costs. His Mastership considered whether there was likely to be "significant costs saving" by ordering a bifurcated trial. It was estimated that if the trial was bifurcated and the court was not required to assess the 'damages' (there, it was a share valuation issue) at the initial trial on liability, there would be a saving of £300,000; *Signia Wealth* (*supra*) at para. 27.

[31] But if the subsequent trial on the share valuation issue becomes necessary, it is "very likely that the additional cost would far exceed the saving", and "the costs of a second trial are likely to run to many hundreds of thousands of pounds". It was held that if the trial was bifurcated, it was likely that "a far greater sum will be incurred": *Signia Wealth* (*supra*) at para. 28.

[32] In Australia, the Federal Court deals with intellectual property cases. On the issue of whether to bifurcate trials into an initial trial on liability and then a subsequent trial on the quantum of damages, the Australian Federal Court case of *Lifeplan Australia Friendly Society Ltd v. Woff* [2012] FCA 1415 is instructive.

[33] These principles are gleaned from *Lifeplan* (*supra*):

(i) The power to bifurcate a trial involves "the exercise of a broad discretion": at para. [6], citing *Liberty Financial Pty Ltd v. Scott* [2003] FCA 226 at [41].

(ii) The "proper test to be applied is whether it would be just and convenient" to order a bifurcated trial: at para. [6], citing *Reading Australia Pty Ltd v. Australian Mutual Provident Society* [1999] FCA 718; [1999] 217 ALR 495 at [9].

(iii) There is arguably a "usual practice to allow for a separate trial of quantum and liability in intellectual property cases", particularly because in a trial involving intellectual property rights, the plaintiff "cannot be compelled to make an election as between damages and an account of profits at least until all of the evidence has been received". If there is no bifurcation of the trial, "the parties will have to call evidence to deal with both damages and an account of profits", citing *Dr Martens Australia Pty Ltd v . Bata Shoe Co of Australia Pty Ltd* (1997) 75 FCR 230. But Mansfield J in *Lifeplan* (*supra*) held that "this does not displace the general rule that all issues of liability and quantum should be dealt with in a single trial", but "it only reflects the justice and convenience which may apply" to intellectual property cases: at paras. [9] and [10], citing *Tallglen Pty Ltd v. Pay TV Holdings Pty Ltd* (1996) 22 ACSR 130 at 141-142.

(iv) The onus is on the applicant for a bifurcated trial "to show why there should be a departure from conducting a single trial: at para. [10], citing *Idoport Pty Ltd v. National Australia Bank Ltd* [2000] NSWSC 1215 at [7].

(v) Whether it is just and convenient to bifurcate a trial "will depend on the nature of the case and the particular circumstances relevant to it": at para. [10], citing *Fleming's Nurseries Pty Ltd v. Hannaford* [2008] FCA 591 at [17].

[34] Reading *Australia* (*supra*) is another Australian Federal Court case that did not make the order to bifurcate the trial. Branson J's first ground is that the case before him "is not one where it can readily be demonstrated that it would be just and convenient" for a bifurcation order to be made for a "separate trial of the issues of liability and damages". He reasoned that "there are important factual disputes between the parties both on the issue of liability and on the issue of damages that require a determination by the court" and inferred that this is better done in one trial proceeding, without bifurcating the trial into separate proceedings: at para. [10].

[35] Branson J also found that if an order is made to decide on liability and damages separately, "there will be a real risk of overlapping evidence being called", first on the question of liability and later on the question of damages: at para. [10].

[36] Further, in the Supreme Court of Queensland case of *Brisbane Airport Corporation Pty Ltd v. Arup Pty Ltd* [2020] QSC 202, Applegarth J advanced these factors to consider when the court is deciding whether to bifurcate a trial:

(i) Consider whether the bifurcation of a trial will "ensure the efficient and timely resolution of the case, consistent with doing justice to both sides": at para. [13].

(ii) The "interest of justice also requires consideration of the appropriate and efficient use of finite judicial resources": at para. [13].

(iii) The "ultimate question is whether it is just and convenient to make an order for separate determination". "A cautious approach should be adopted in deciding" to bifurcate the trial: para. [13].

Summary Of The Principles

[37] In summary, I am of the respectful view that:

(i) it boils down to whether it is just and convenient, under the circumstances of the case at hand, to bifurcate;

(ii) the "just and convenient" principle necessarily requires the court to consider the elements of time, costs, fairness and prejudice;

(iii) it is less expeditious (more time-consuming) and less economical (more costs incurred) to bifurcate the trial;

(iv) it is also less convenient to have the trial bifurcated because of the likelihood of overlapping evidence, and the calling of the witnesses who have already testified (on liability), to testify again (on damages);

(v) bifurcating a trial prolongs the ultimate conclusion of the action;

(vi) for a commercial and intellectual property case such as this case, the remedy of damages would become stale, the longer the successful party has to wait for it to be quantified;

(vii) justice delayed can lead to justice strayed.

The Trial Should Not Be Bifurcated

[38] Milano's argument that RCB's application to produce is premature, is premised on the expectation that the trial of this action will be bifurcated into two sections the determination of liability first, and then the assessment of the quantum of damages (if liability is found).

[39] I am of the view that the trial of this matter should not be bifurcated in this manner, unless there are exceptional circumstances that warrant it. A bifurcation of a trial in this manner is not conducive to a just, expeditious and economical disposal of the action (using the principle prescribed in O. 34 of the Rules of Court 2012). It is particularly so when we look beyond the trial, to the process of an appeal from the decision of the trial court on liability.

[40] I will illustrate what I mean. These are the alternative outcomes when a trial is split into first determining liability, and then later determining the quantum of damages.

[41] The first outcome is where the plaintiff succeeds on liability. The defendant appeals. On appeal, the plaintiff succeeds again (liability is upheld). The plaintiff will then have to go back to the trial court to have the damages assessed. The assessment of damages is now another proceeding before the trial court.

[42] The assessment of damages is usually a trial process by itself, with the need for witnesses to testify and be cross-examined. Take, for example, an intellectual property rights action such as a trade mark action like this case, or a patent infringement action, or a copyright infringement action – there is often a need to have experts, such as forensic accountants or consultants, to opine on the method to calculate (sometimes to extrapolate) the amount of the loss and damage suffered.

[43] This means that the trial court would only have disposed of the first part of the whole trial (on liability) and will now have to dispose of the remaining part of the trial (for damages), and to do so at a subsequent point in time.

[44] The second alternative outcome is where the plaintiff succeeds on liability. The defendant appeals. On appeal, the defendant succeeds (liability is reversed). That would be the end of the action.

[45] The third alternative outcome is where the plaintiff fails on liability. The plaintiff appeals. On appeal, the plaintiff succeeds (liability is found against the defendant). The plaintiff will then have to go back to the trial court to have damages assessed. Similar to the first outcome, the assessment of damages takes up another proceeding before the trial court.

[46] The fourth alternative outcome is where the plaintiff fails on liability. The plaintiff appeals. On appeal, the plaintiff fails again (liability is not found against the defendant). That would be the end of the action.

[47] It may appear that there are two out of four alternative outcomes that lend support to the practice of bifurcating the trial, that is, dividing the trial into two parts. But I am of the view that the adverse effects on the litigants and on the trial court – from having to conduct a separate and later proceeding to hear and decide on damages – far outweigh the effects of assessing damages as well during the trial on liability, in one proceeding. The adverse effects include the inevitable additional time and costs, as well as the lapse of time, before the action could be fully disposed of.

[48] The trial has to be re-convened to determine the quantum of damages. Witnesses who testified in the first part of the trial may have to be called again. Additional witnesses may have to be called too.

[49] It is trite that the trial court is meant to fully hear and decide on both liability and quantum in any event.

[50] Dividing the trial into two proceedings to be separately disposed of at two different points in time (one much later than the first), does not augur well for the just, expeditious and economical disposal of an action.

The Adverse Effects Are Magnified When There Is A Counterclaim

[51] Further, let us look at the circumstances where there is a counterclaim by the defendant. Particularly in an intellectual property dispute between diametrically competing intellectual property ownership rights – the defendant will often mount a counterclaim.

[52] The plaintiff files a claim for infringement (for example: infringement of a trade mark, or a patent, or copyright). In defending against the claim, the defendant also files a counterclaim to challenge the plaintiff's rights (for example: to expunge the plaintiff's trade mark from the trade marks register and for the infringement of the defendant's trade mark instead; or to invalidate the plaintiff's patent and for the infringement of the defendant's patent instead; to claim that copyright does not subsist in the plaintiff's works and for the infringement of the defendant's copyright instead).

[53] The adverse effects of bifurcating a trial, where there is a counterclaim for liability and damages, is even more pronounced.

[54] If the trial is bifurcated, the alternative outcomes are these. The first outcome is where the plaintiff succeeds and the defendant's counterclaim is dismissed. The defendant appeals. On appeal, the plaintiff succeeds (the defendant's liability is upheld and the defendant's counterclaim remains dismissed). The plaintiff will then go back to the trial court to have damages assessed.

[55] The second alternative outcome is also where the plaintiff succeeds and the defendant's counterclaim is dismissed. The defendant appeals. On appeal, however, the defendant succeeds (liability is reversed and the defendant's counterclaim is allowed). This time, the defendant then goes back to the trial court to have damages assessed.

[56] The third alternative outcome is where the plaintiff fails on liability and the defendant's counterclaim is allowed. The plaintiff appeals. On appeal, the plaintiff succeeds (the plaintiff's claim is allowed and the defendant's counterclaim is dismissed). It follows then that the plaintiff has to go back to the trial court to have damages assessed.

[57] The fourth alternative outcome is also where the plaintiff fails on liability and the defendant's counterclaim is allowed. The plaintiff appeals. On appeal, however, the defendant succeeds (the plaintiff's claim remains dismissed and the defendant's counterclaim remains allowed). Here, the defendant still has to go back to the trial court to have damages assessed.

[58] So, demonstrably, where there is a counterclaim of this nature, in all four of these alternative outcomes, the matter goes back to the trial court for the assessment of damages. It is therefore not expedient to bifurcate the trial. Bifurcating a trial does not facilitate the just, expeditious and economical disposal of an action.

[59] I am mindful of the other possible outcomes where both the claim and the counterclaim are allowed, or where both the claim and the counterclaim are dismissed. But these outcomes are much less likely, because the claim and the counterclaim are usually based on the same facts or related facts. And the rights and obligations are usually diametrically opposed, one against the other. In this circumstance, it is much less likely that both the claim and the counterclaim are both allowed, or both dismissed.

[60] But even when both the claim and counterclaim are allowed, or both the claim and the counterclaim are dismissed, by the trial court – on appeal, whenever the appellate court finds liability in favour of any of the parties, that party will then, in any event, have to go back to the trial court to have damages assessed.

[61] I opine that there should be a trial of the claim and the counterclaim – only once and in-one-go-where the trial court decides completely on both the aspects of liability and damages. Only then, on appeal, the whole action ends there too: at the Court of Appeal. There should be no going-back to the trial court for damages.

[62] I further opine that this view that it is not just and convenient to bifurcate a trial into liability and quantum in intellectual property actions unless there are exceptional circumstances that warrant it – should apply also to other matters in general.

[63] Returning to Milano's argument that it is premature, at this juncture, to produce the documents that RCB seeks – I hold that it is not at all premature for the production of documents that either or both parties wish to rely on at trial. In fact, it is timely and appropriate that documents that parties are relying on to prove their respective cases be produced now through the process of discovery, for use at the trial.

[64] In fact, O. 24 r. 3 and O. 24 r. 7 of the Rules of Court 2012 compel the parties to do exactly that.

Documents That Support Or Adversely Affect A Party's Case All Are To Be Discovered

[65] Order 24 r. 3 provides that I may compel a party to give discovery of:

(i) documents which that party relies on;

(ii) documents which could adversely affect that party's own case;

(iii) documents which could adversely affect another party's case; and

(iv) documents which could support another party's case.

[66] Order 24 r. 7 additionally provides that I may compel a party to affirm an affidavit to state whether a document is, or has been, in that party's possession, custody or power. And if the documents are no longer in that party's possession, custody or power, then when (at what point in time) that party parted with the document, and what has become of the document.

[67] The class of documents caught under O. 24 r. 7 is even wider than the documents referred to in O. 24 r. 3. The documents to be disclosed under O. 24 r. 7 are:

(i) documents which that party relies on;

(ii) documents which could adversely affect that party's own case;

(iii) documents which could adversely affect another party's case;

(iv) documents which could support another party's case; and additionally;

(v) documents which may lead the party seeking discovery to 'a series of inquiry' which reveals information which may:

(a) adversely affect that party's (the party seeking discovery) case, or

(b) adversely affect another party's case, or

(c) support another party's case.

[68] For reference, I reproduce here the pertinent paragraphs of O. 24 r. 3 and O. 24 r. 7:

Order for discovery (O. 24 r. 3)

3. (1) Subject to the provisions of this rule and of rules 4 and 8, the Court may at any time order any party to a cause or matter (whether begun by writ, originating summons or otherwise) to give discovery by making and serving on any other party a list of the documents which are or have been in his possession, custody or power and may at the same time or subsequently also order him to make and file an affidavit verifying such a list and to serve a copy thereof on the other party.

...

(4) The documents which a party to a cause or matter may be ordered to discover under paragraph (1) are as follows:

(a) **the documents on which the party relies or will rely**; and

(b) **the documents which could**:

(i) **adversely affect his own case**;

(ii) **adversely affect another party's case**; or

(iii) **support another party's case**.

Order for discovery of particular documents (O. 24, r. 7)

7. (1) Subject to rule 8, the Court may at any time, on the application of any party to a cause or matter, make an order requiring any other party to make an affidavit stating whether any document specified or described in the application or any class of document so specified or described is, or has at any time been, in his possession, custody or power, and if not then in his possession, custody or power when he parted with it and what has become of it.

...

(3) An application for an order under this rule shall be supported by an affidavit stating the belief of the deponent that the party from whom discovery is sought under this rule has, or at some time had, in his possession, custody or power the document, or class of document, specified or described in the application, and that it falls within one of the following descriptions:

A (a) a document on which the party relies or will rely;

(b) a document which could:

(i) adversely affect his own case;

(ii) adversely affect another party's case; or

B (iii) support another party's case; and

(c) **a document which may lead the party seeking discovery of it to a series of inquiry resulting in his obtaining information which may**:

C (i) **adversely affect his own case**;

(ii) **adversely affect another party's case**; or

(iii) **support another party's case**.

(emphasis added)

D **[69]** RCB wants to prove that Milano infringed their 'RCB Polo Club Mark'. RCB also wants to prove that Milano passed off 'Milano's Polo Club Marks' as 'RCB's Polo Club Mark'. And they want damages for their cause.

[70] Milano, on the other side, denies liability and wants to prove their defence.

E **[71]** I hold that the documents that RCB seeks to discover – the documents that reveal when (at what point in time) Milano started to use their 'Milano Polo Club Marks'; documents that reveal evidence of Milano's sales and revenue; documents that show the extent of Milano's advertising and promotional activities – will either support either party's case, or adversely F affect either party's case.

[72] And I hold that it is not premature to compel the production of these documents. I hold that these documents should be discovered and produced now. And not later, as canvassed by Milano.

G **The Documents Sought Are Relevant And Necessary For The Fair Or Economical Disposal Of The Trial, And Should Be Disclosed In Discovery**

[73] Milano submits that there are three elements to an order for discovery. They cite the case of *Yekambaran Marimuthu v. Melayawata Steel Bhd* [1994] 2 CLJ 581; [1993] MLJU 96 (HC). It was held there that:

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> The essential elements for an order for discovery are threefold; namely, first, there must be a "document", secondly, the document must be "**relevant**" and thirdly, the document must be or have been in the "possession, custody or power" of the party against whom the order for discovery is sought.

I

(emphasis added)

[74] Milano submits further that the second element of the threefold test laid down in *Yekambaran* (*supra*) – that the documents are "relevant" – was "tighthened or modified" to include the element of "necessity" by the Court of Appeal in *Malaysia Debt Ventures Bhd v. Platinum Techsolve Sdn Bhd & Ors* [2020] 1 LNS 1252; [2020] MLJU 1421 (CA). In other words, the documents sought to be produced must not only be relevant, they must also be necessary for the fair or economical disposal of the action.

[75] The Court of Appeal in *Malaysia Debt Ventures* (*supra*) held:

> [199] In our view, the question as to whether the document for which disclosure is sought is necessary is an important and we might, add pivotal component for the order of discovery under Order 24 Rule 7 ROC. Indeed, Order 24 Rule 8 ROC also makes it imperative that the Court to refuse discovery if it is satisfied that discovery was not necessary.
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> ...
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> [202] In our view, the proper approach to the question of whether **discovery** is "necessary" may be gleaned from the case of *Bayerische Hypo- und Vereinsbank AG v. Asia Pacific Breweries (Singapore) Pte Ltd and other applications* [2004] SGHC 155; [2004] 4 SLR (R) 39 ("*Bayerische*") where the High Court of Singapore at paragraph [37] stated as follows:
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> > The ultimate test is whether discovery is **necessary** for **disposing fairly of the proceedings** or for **saving costs**. An assertion that the documents are relevant will not be good enough. Equally, an assertion that the documents are necessary because they are relevant will not be enough.
>
> (emphasis added)

[76] Any document from the parties that goes to support either party's case, and any document that is adverse against either party, are not only relevant, but also necessary for a fair determination of the dispute.

[77] All the relevant and necessary documents must be before the court so that all the issues that are in dispute between the parties can be completely decided upon, including the issue of damages and the quantum of it.

Conclusion

[78] It is not just, expeditious and economical to bifurcate the trial of a writ action – first into a proceeding that determines the issue of liability (for the claim as well as the counterclaim, if there is one), and then later a proceeding that determines the issue of damages (also for the claim and the counterclaim).

[79] To bifurcate a trial will protract the final determination of the litigant's respective cases against each other. And it will inevitably consume more court time and more costs.

A **[80]** To bifurcate a trial may likely leave the case in the court system, not fully disposed for years to come, causing a backlog of undisposed aging cases.

[81] To bifurcate a trial will defer and prolong the process of once-and-for-all completely determining the litigants' cause and defence.

B **[82]** And in this connection, all the documents that are relevant and necessary for the parties to prove their respective claims, counterclaims and defences – both in respect of liability and the quantum of damages – should be disclosed and produced in the process of pre-trial discovery, so that the action can be fairly and fully determined at the trial.

C **[83]** A party should not hold-back the disclosure and production of any such documents.

[84] For these reasons, I allow RCB's application for the production of the documents that they seek, with costs.

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